UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF
LAO PEOPLE'S DEMOCRATIC REPUBLIC

IPF: (1989-93) $39 493 000
(LAO/89/C02)-(LAO/86/008) - Rehabilitation of Nam Tan Irrigation Perimeter

Date of approval by the AC:[1/]	11 December 1991
Expected duration:	Five years
Proposed co-operating agency:	UNDP/OPS
Government executing agency:	Province of Sayaboury
Proposed UNDP contribution:	$1 126 000 Source of funds: IPF
Proposed UNCDF contribution:	$4 015 300 Source of funds: General Resources
Proposed Government contribution:	$150 500

Project background

Agriculture is the backbone of the Lao economy and, by far, its most important sector. Approximately three-quarters of the labor force derives the bulk of its employment and income from this sector. The predominant crop, as well as the staple food, is glutinous rice. Of the approximate 700,000 hectares cultivated with rice, 60 percent are in the lowland areas, while the balance is confined to the u[land areas where paddy is largely grown under a shifting slash and burn cultivation system. Rice production is vulnerable to the climate, as less than four percent of the total area under rice cultivation is irrigated. Yields are low due to the gavaries of climate and traditional production methods.

Nam Tan, a perimeter of 2,100 hectares built with USAID assistance in the late 1960's in the province of Sayaburi, has seen its infrastructure deteriorate with the flight of the villagers beginning in 1975. At the present time, it encompasses only 1,750 hectares.

Description of project

The long-term objectives of the project are to: (a) increase rice production in irrigated lowland areas; and (b) reduce the environmental damages caused principally by upland slash and burn rice production methods in the northern province of Sayaburi. This will be achieved by: (i) Perimeter Infrastructure Works: this consists of the rehabilitation and/or reconstruction of (a) 82 km of primary, secondary and tertiary canals; (b) 40 km. of access roads; (c) 20 footbridges; and (d) 300 irrigation structures; (ii) Valorization of the irrigation scheme: this consists of farmers' organization, water management, establishment of an agricultural credit system, a research/experimentation station, and

1/ This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modification to the project/revision may have occurred subsequently.

extension services; and (iii) Complementary activities: improvement of 10 wells for human water consumption and 10 latrines and establishment of a community development fund.

The beneficiary communities will be systematically consulted on the proposed rehabilitation. While major rehabilitation works will be sub-contracted, the reconstruction of tertiary and distributory canals will be undertaken with the full participation of the beneficiaries. The results expected are: (a) an increase in the yield of rice production (30 to 50 percent); (b) an increase in the global production of paddy (2900 additional tons/year); and (c) the reduction of slash and burn rice production methods on an estimated 3600 hectares upland.

Inputs

UNCDF will cover the costs of subcontracting major rehabilitation works of the irrigation scheme; providing materials and equipment for reconstruction of tertiary and distributory canals and other minor repairs to be undertaken with the participation of the beneficiaries; an agricultural credit fund; three vehicles; short-term advisory, monitoring, and audit missions; the various related studies; and a community development fund.

The Government will provide the required project personnel and light equipment.

UNDP will provide one CTA for five years with expertise in farmers organization; one expert in irrigation for three years; one expert in water management for two years; one agronomist for 1.5 years; one expert in pisciculture for one year (all will be recruited in the sub-region through a sub-contract with a consulting firm); one bilingual secretary; and one driver.

Financial data

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	UNCDF	UNDP
Missions	311 400	
Personnel		961 000
Training		70 000
Equipment		58 000
Subcontracts (design, supervision, construction, renovation, studies	2 000 100	
Expendable equipment	66 000	
Non-expendable equipment	263 000	
Base camp and other construction	158 000	
Transportation equipment	64 000	
Operation and maintenance	327 000	
Community development fund	25 000	
Credit for farmers	50 000	
Contingencies and cost escalation	489 675	
Support costs	261 160	
Miscellaneous		37 000
Total	4 015 335	1 126 000

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